



# Engagement and governance: Building your value analysis model

Value Analysis Course

**vizient**<sup>TM</sup>

# Learning objectives

**By the end of this lesson, we will be able to:**

- Define the scope of your value analysis program
- Demonstrate the steps of a well-defined process that applies the governance structure to support the process
- Design a value analysis model that integrates with your corporate vision and addresses organizational complexities
- Prepare a value analysis charter for oversight and standard business conduct
- Define the standards of business conduct



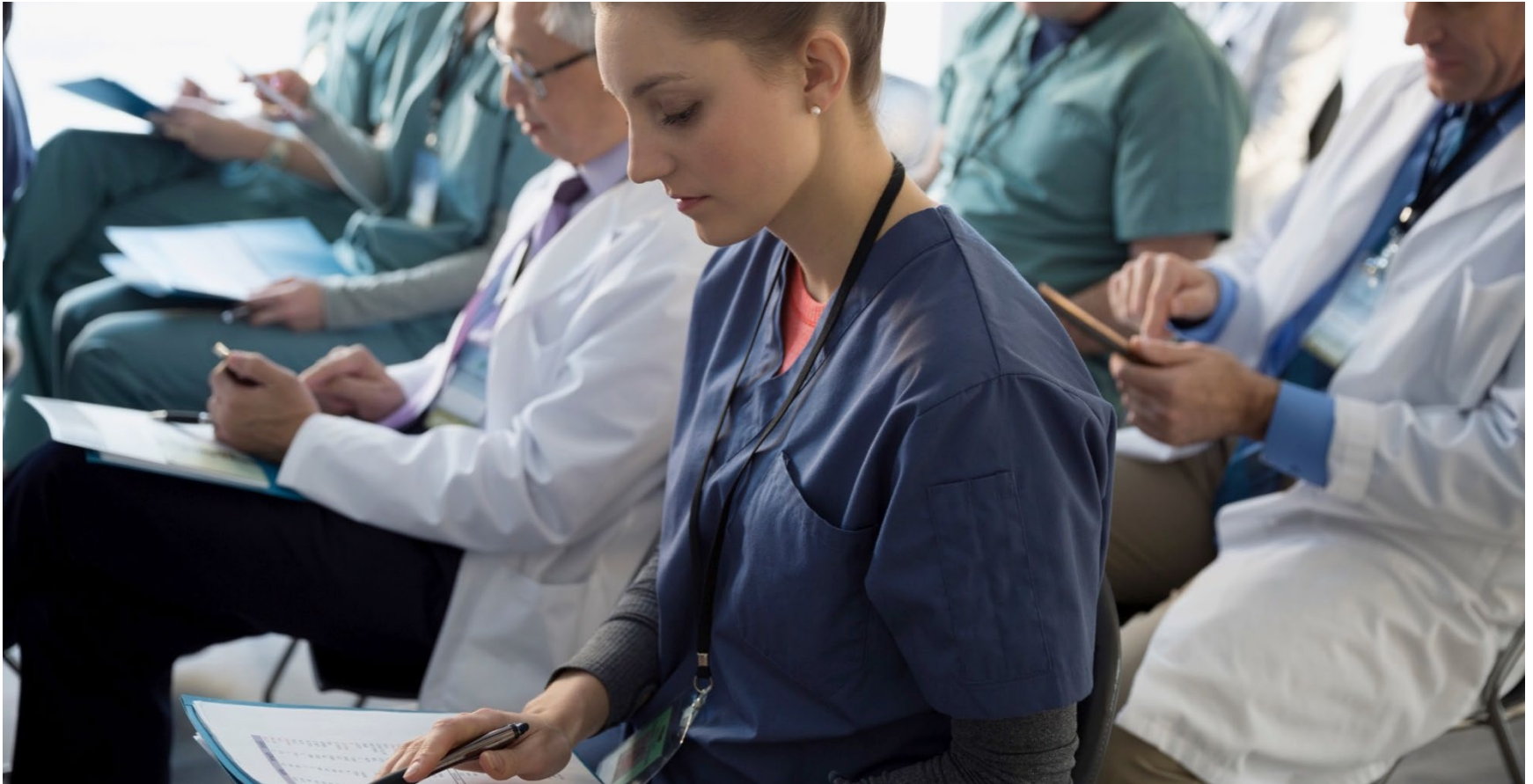
# Value analysis program scope



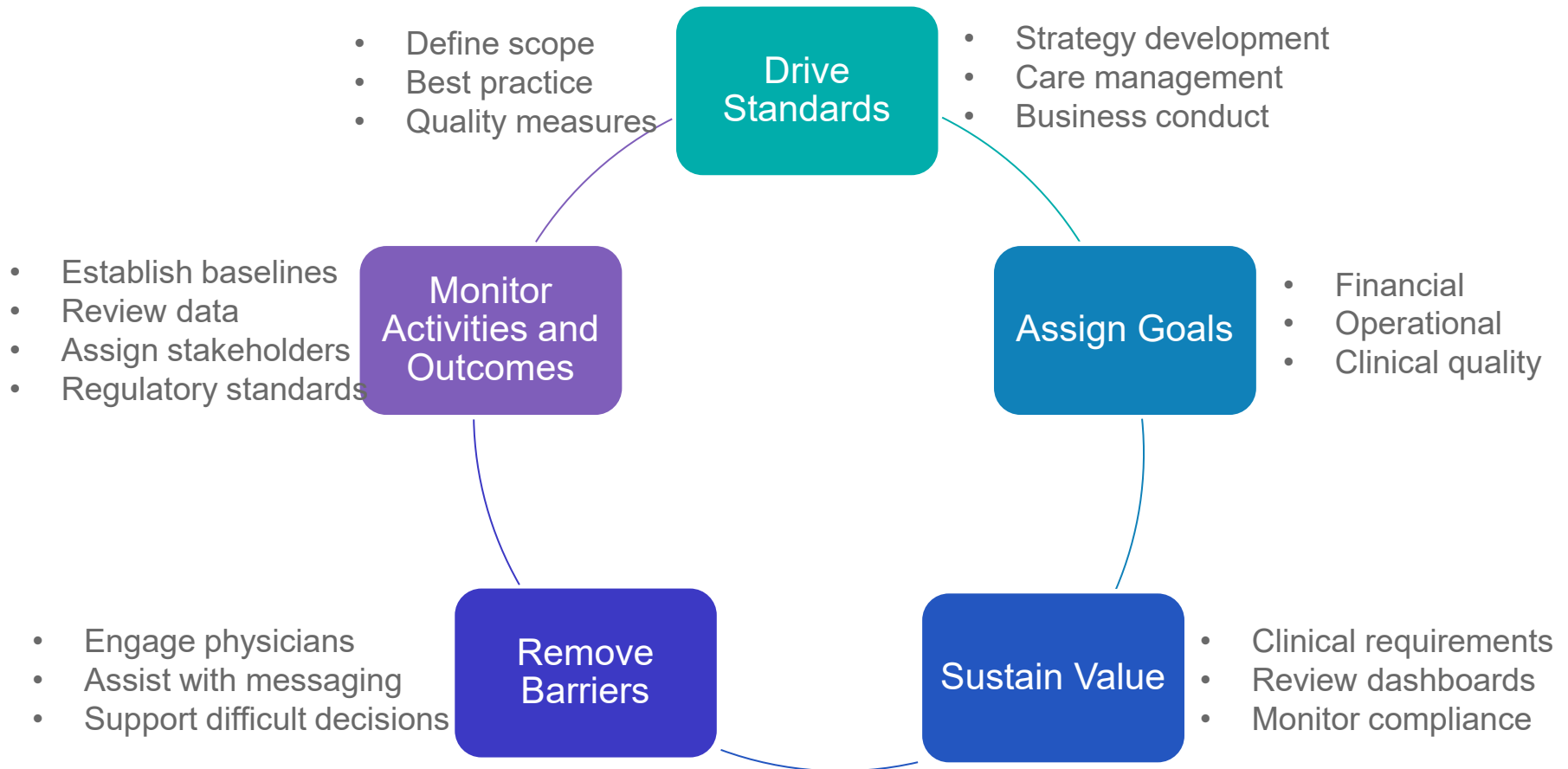
**A broad program scope is reflective of a strong governance structure.**

# Value analysis governance

Governance supports the pathway to success



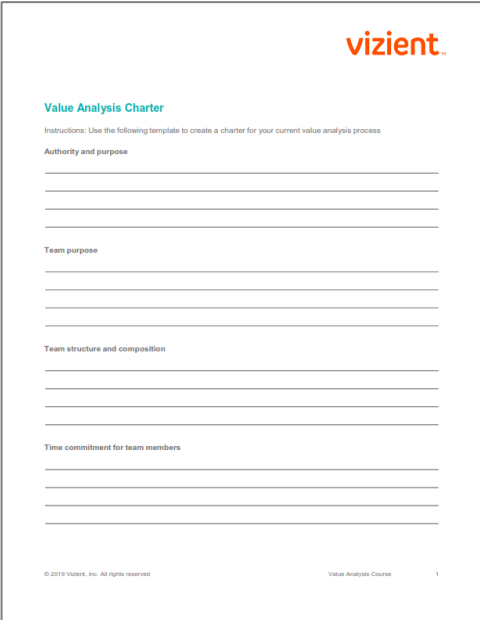
# What does governance look like?



# Value analysis charter

## Why a charter?

- It provides a formal written statement of the aims, principles and procedures of the team
- It often reflects the health system's mission statement



The image shows a template for a Value Analysis Charter. It features the Vizient logo in the top right corner. The title 'Value Analysis Charter' is in blue. Below the title, there are instructions: 'Instructions: Use the following template to create a charter for your current value analysis process'. The template is divided into four sections, each with a heading and several horizontal lines for text entry: 'Authority and purpose', 'Team purpose', 'Team structure and composition', and 'Time commitment for team members'. At the bottom, there is a footer with the text '© 2019 Vizient, Inc. All rights reserved' and 'Value Analysis Course'.

Refer to Workbook

*The value analysis program purpose is to develop and implement an organized and systematic approach to determine the value of technology, products and services while supporting and complementing process improvement, improved outcomes, safety and quality practices, and financial stewardship.*

# Elements of a value analysis charter

## Committee Charge

- Clear expectations
- Ground rules
- Team structure and composition
- Member roles and responsibilities
- Operating guidelines
- Meeting logistics



# Elements of a value analysis charter

## Committee Process

- Decision-making body for products and services
- Review data and contracts
- Determine best strategy
- Formal voting
- Consensus building
- Implement change





# Elements of a value analysis charter

## Team Structure and Composition

- Operational, financial and clinical subject matter experts
- Team chair to prioritize team activities, determine necessary resources
- Accountable to steering committee for targeted savings



# Elements of a value analysis charter

## Team Member Accountability

- Attendance requirements
- Time commitment to participate
- Complete assignments on time
- Communicate with necessary stakeholders to support value analysis program




# Committee participation agreement

## Purpose

To provide team members with the keys roles as responsibilities of being a team member

## How to use

- All members must read and agree to the terms
- Edit where appropriate for your organization
- Obtain signature from members for accountability



**Value Analysis Council  
Committee Participation Agreement**

I am willing to participate on the \_\_\_\_\_ Value Analysis Council/Committee for a two-year term.

I have read and understand the roles and responsibilities indicated below:

- Establish agenda and prioritize initiatives in alignment with financial targets provided by the oversight council
- Ensure compliance with related processes, policies and procedures
- Approve, monitor and act upon key initiatives to achieve performance goals
- Be responsible for the annual recommendation of physician practice clinical integration goals
- Provide governance, guidance and direction to the value analysis structure
- Be responsible for design of site implementation committee activities related to evaluations and implementation
- Work with systemwide stakeholders to remove potential barriers to change
- Review each initiative for performance, quality, safety, and effectiveness including standardization, utilization, contract compliance, financial impact, supplier diversity, and green sustainability prior to voting
- Utilize experience-based objective criteria in the creation of evaluation tools and for the purpose of decision making
- Create and report monthly financial updates and initiative progress to the oversight council
- Partner with the site implementation committee to track clinical and financial outcomes
- Mitigate stalled initiatives and concerns to the oversight council
- Councils will create commissioned project teams as needed for initiatives that fall within much defined areas of expertise or when more specific clinical input is needed for a specific product or service. If assembly of a project team is needed, it will consist of subject matter experts and other key stakeholders as needed. The appropriate clinical product specialist and contract manager will monitor the project team until completion of the initiative.
- Partner with each supply chain manager as the site champion for the execution of site initiatives
- The council chair is responsible for ensuring regular council communications relative to a specific initiative is disseminated to the site leadership, oversight council and site implementation committees.
- Ensure new product requests follow the designated value analysis process

Print name: \_\_\_\_\_

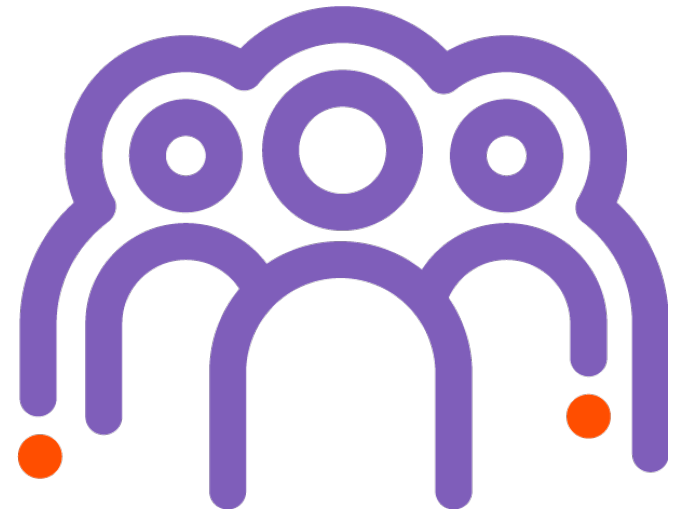
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# Guiding principles for team members

- This is a **collaborative process** with a purpose to better the organization as a whole
- Decisions are based on **what is best for the patient and/or the organization**, not necessarily on what is best for an individual department or group
- Success is driven by the **commitment** of all team members **to actively participate** in the process
- Leave titles at the door; **everyone's input is equal**
- **No right or wrong answers** - just ideas, input and recommendations
- **Learn from past** projects and best practice implementations; do not replicate past errors in system and process design
- All practice and clinical program changes will be **coordinated with corresponding service lines**



# Polling Questions:

Who has developed a charter for their value analysis program?

Is it endorsed and supported by your leadership?

On a scale of 1-10, how familiar are you with your charter?



# Conflict of interest

## Definition

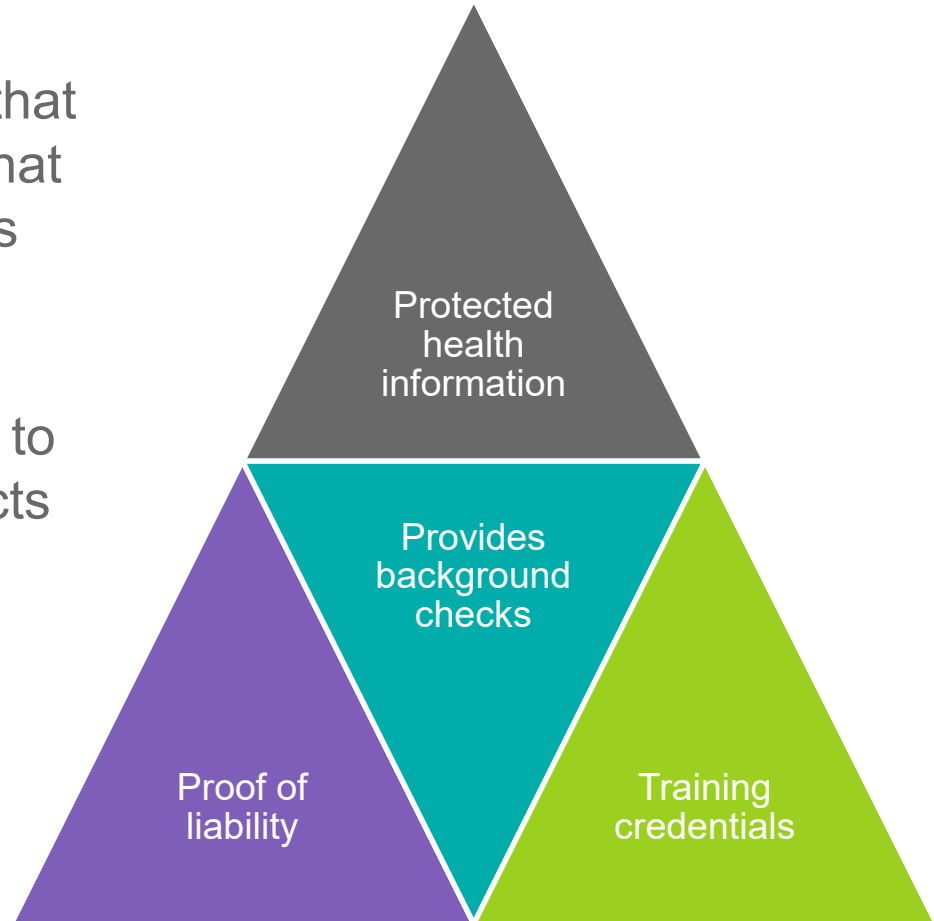
A conflict between the private interests and the official responsibilities of a person in a position of trust

- Physician's intention not aligned with organization
- Vendor relationship
  - Accepting gifts
  - Promotional speaking
- Clinical trials
- Editorial bias
- Physician-owned distributorships
- Physician royalties



# Vendor credentialing

- Vendors are business partners that provide products and services that impact health care organizations and patients
- Adoption of credentialing standards provide conformance to regulatory guidelines that protects patient health, safety and confidentiality



# Other Standards of Business Conduct

**Regulatory Safe harbor:** Specifically related to health care, including: warranties, discounts and GPOs

**Sunshine Act:** Payments and transfers of value from manufacturers and GPOs to physicians and teaching hospitals must be reported to CMS

**Anti-Kickback Law:** Protects patients and federal health care programs from fraud and abuse

**Stark Law:** Prohibits medical providers from submitting Medicare claims, billing individuals, etc. for such referred services. Ex: Physician Owned Distribution (POD)- labs and radiology.





# Examples

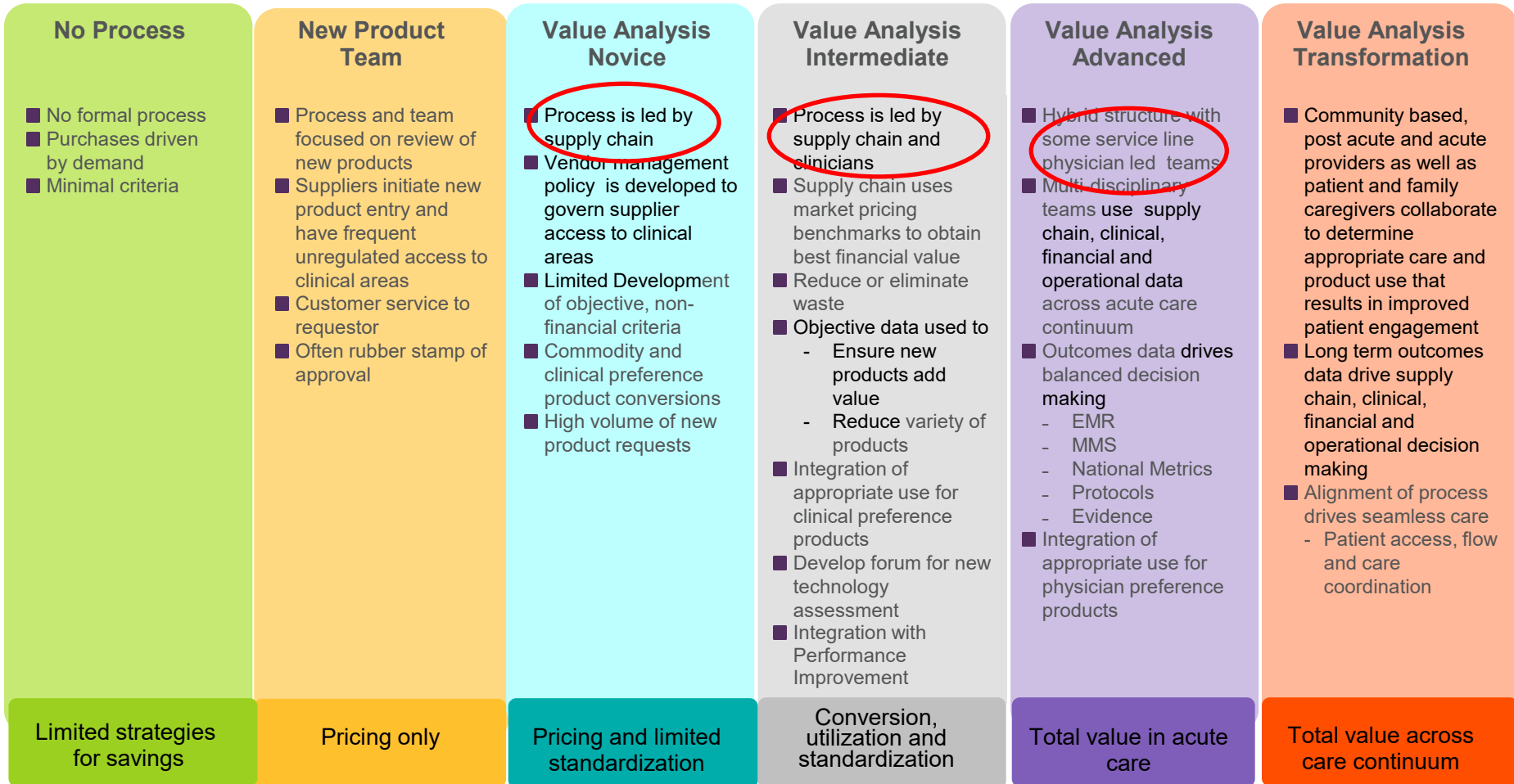
	Acceptable	Not acceptable
<b>Business meals</b>	Paying for your own meal	Allowing the supplier to pay for the meal
<b>Continuing education</b>	Meals that are modest by local standards and are in conjunction with a continuing education unit (CEU)	Accepting travel, lodging, or personal expenses for a seminar or conference
<b>Charitable contributions</b>	Cash and “in kind” contributions made directly to a recognized charitable organization	Cash and “in kind” contributions made to an individual or non-recognized charitable organization
<b>Gifts</b>		Accepting gifts of any kind from suppliers
<b>“Quiet period” from time an RFP is issued to the time a contract is announced</b>	Contact between the supplier and the team member representative(s) specified in the RFP. Interactions should be structured to ensure fairness (i.e. submitting questions via email and issuing answers to all participants). If product evaluations are to be held during the quiet period, the parameters of those interactions should be followed, as denoted in the RFP.	Suppliers visiting facilities for any reason other than a value analysis team sponsored product evaluation. Any conversation between supplier and team members as denoted in the RFP, unless the conversation is part of a team sponsored product evaluation or part of day to day operations (i.e. purchasing issues for incumbent suppliers).

- Be transparent
- Keep good documentation

# Value analysis structure

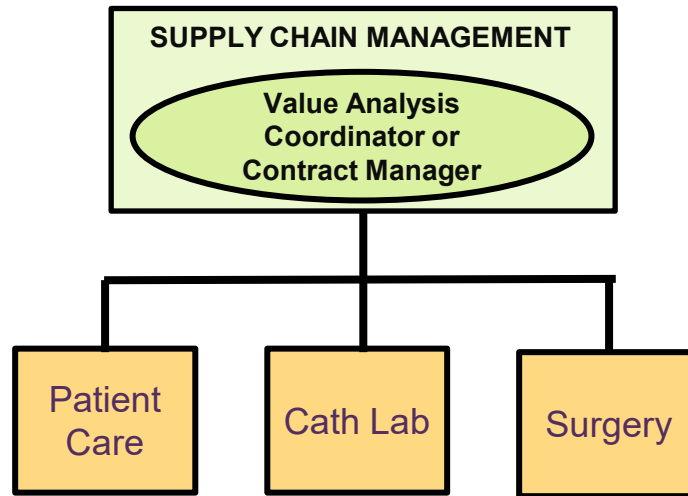


# Various states of value analysis governance



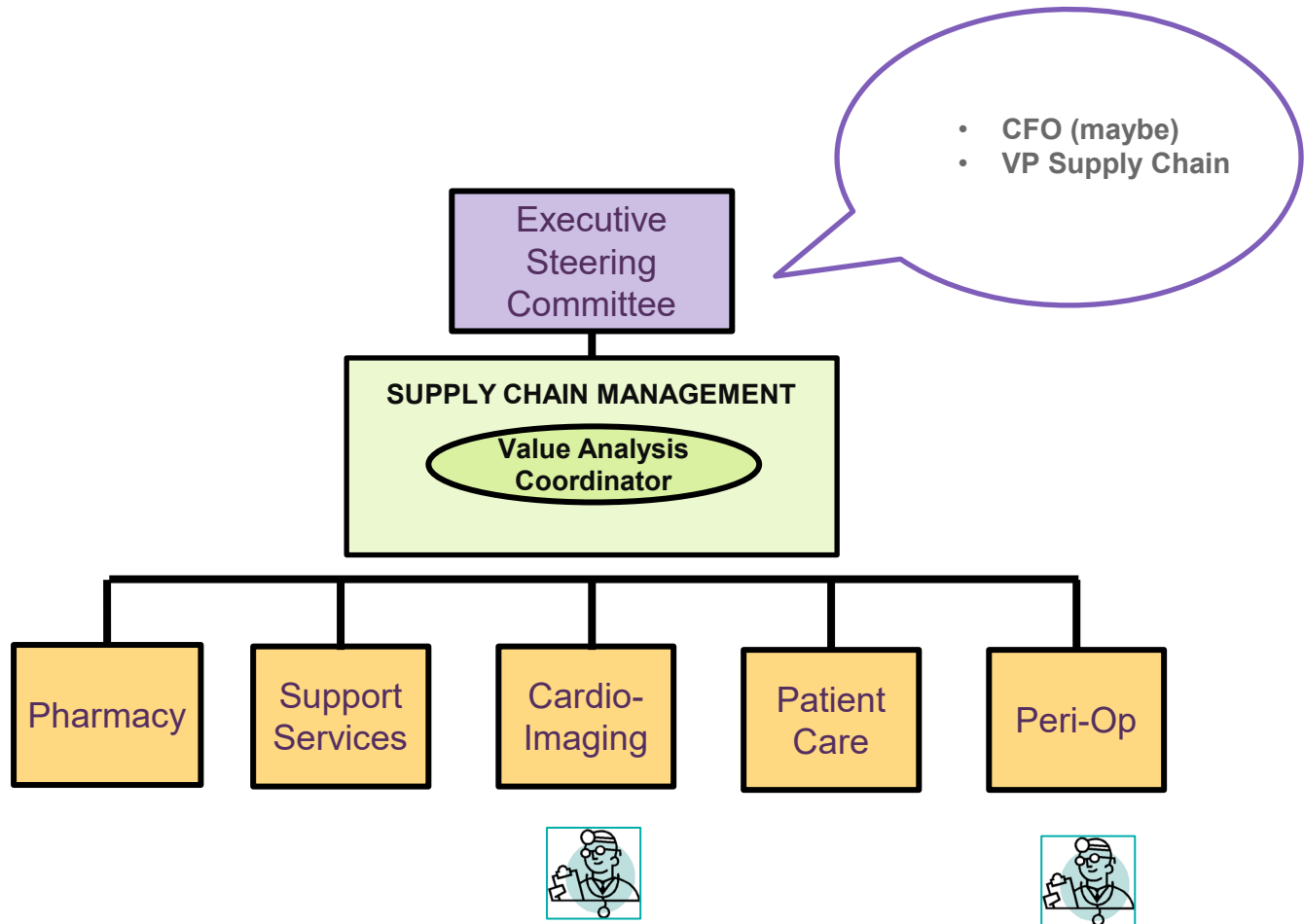
Greater Physician Involvement 

# Emerging Program Structure



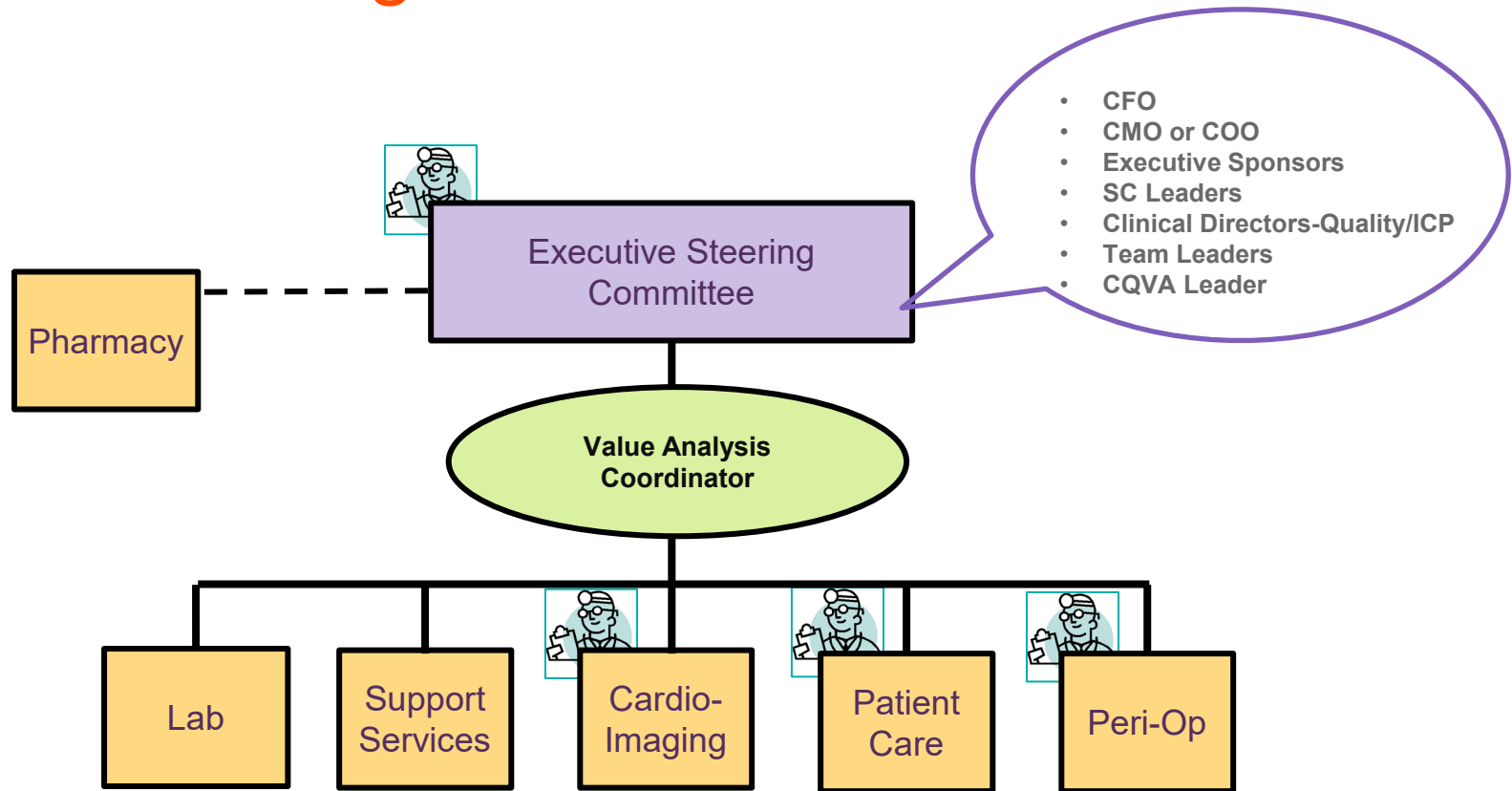
Refer to Workbook

# Intermediate Program Structure



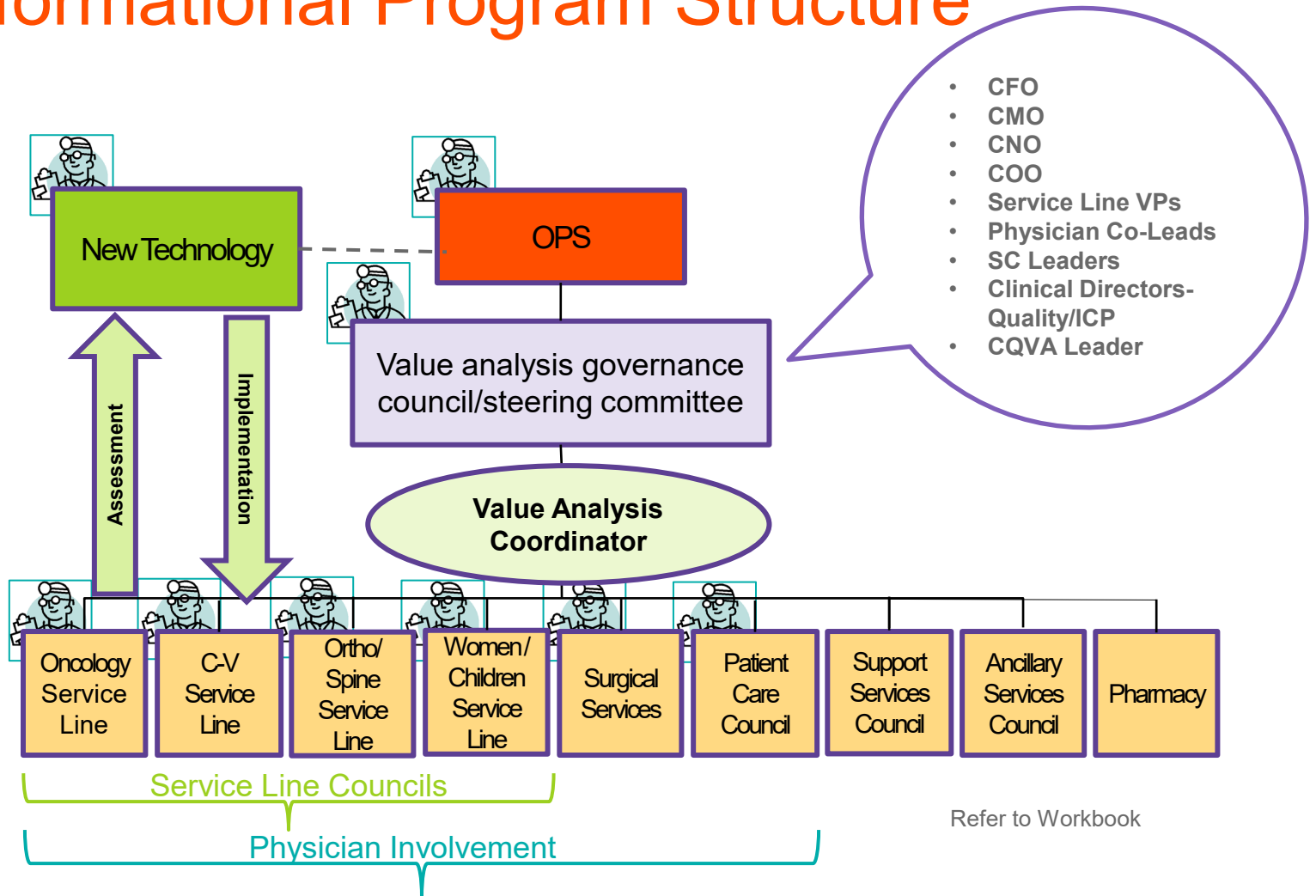
Refer to Workbook

# Advanced Program Structure



Refer to Workbook

# Transformational Program Structure



# Activity: Draw your **VALUE ANALYSIS** Structure

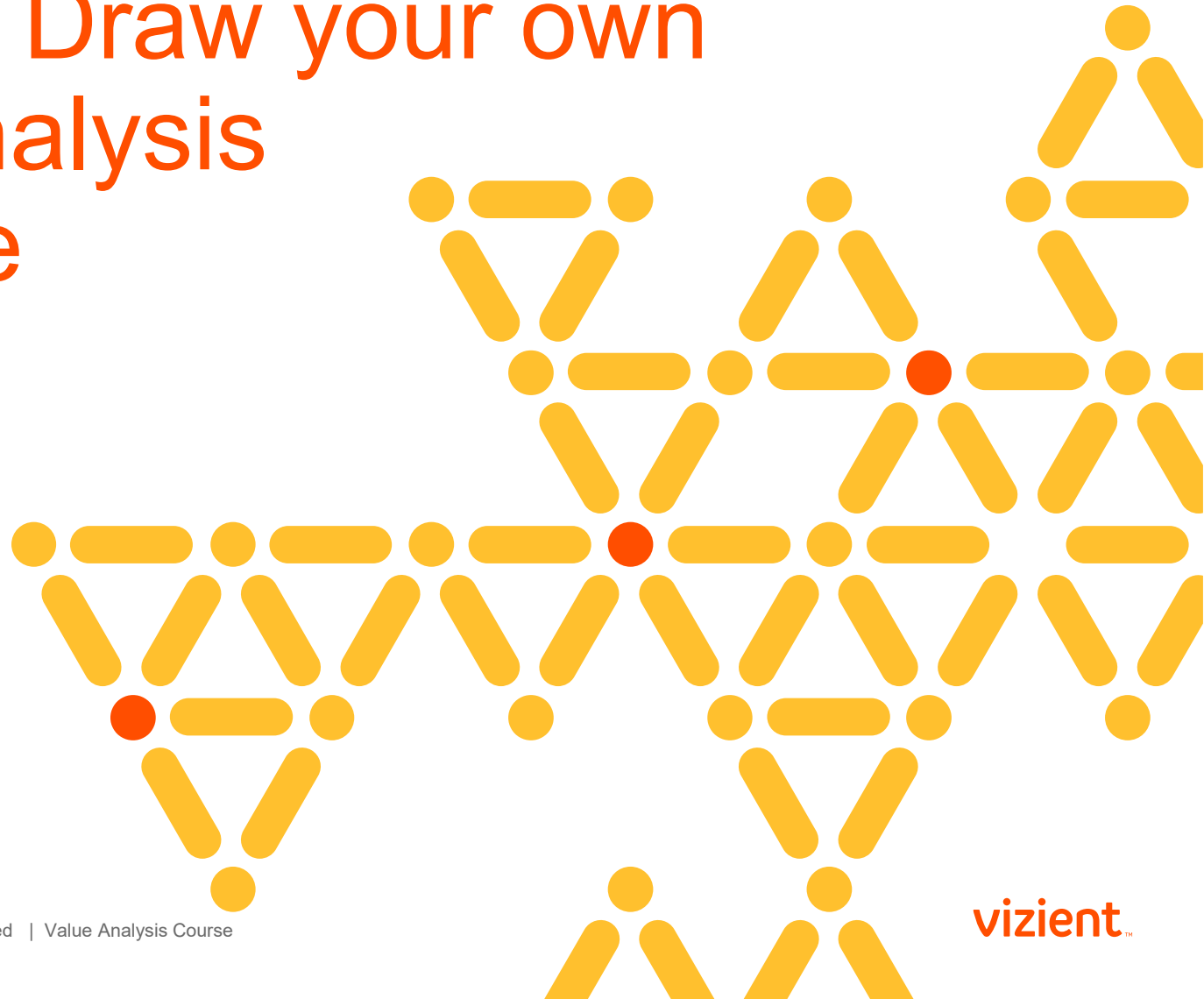
- Take the next 20-30 minutes and draw your internal structure
- Be prepared to discuss which model it most likely mirrors
  1. Emerging
  2. Intermediate
  3. Advanced
  4. Transformational



Refer to Workbook



# Debrief: Draw your own Value Analysis Structure



# Questions

